

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 96-900
Docket No. 94-254

April 10, 2000

PUBLIC UTILITIES COMMISSION/NYNEX,
Schools and Libraries Project, Docket No. 96-900

ORDER

FREDERICK A. PEASE, ET AL. V. NEW ENGLAND
TELEPHONE COMPANY, Complaint Requesting
Commission investigation of the Level of Revenues
Being Earned by NYNEX and Determination of Whether
Toll and Local Rates Should be Reduced, Docket
No. 94-254

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

In this Order we extend funding for the Circuit Rider training program for an additional year through June 2001. We also decide that any funds in the Bell Atlantic school and library escrow account not projected to be spent by June 30, 2001, will be used to provide additional services to schools and libraries.

II. BACKGROUND AND DECISION

On March 30, 2000, our School and Library Network Advisory Board filed a recommendation asking the Commission to extend the Circuit Rider program for an additional year. They also ask the Commission to decide now that any monies remaining unspent in the Bell Atlantic school and library escrow account as of June 2001, be used for schools and libraries.

A. CIRCUIT RIDERS

In October 1998, we approved funding of up to \$400,000 for a new Circuit Rider service to be provided between January 1999 and June 2000. As approved, three experts provide on-site services. The Circuit Riders, through February 29, 2000, have made 428 on-site visits, 981 phone contacts and 867 e-mail contracts. Much of their work has involved networking problems, software upgrades, and configuring e-mail accounts. Satisfaction with the service has been high.

In July 1999, we extended the current Maine School and Library Network project (MSLN) for an additional year, through June 2001. This was to avoid any gaps in service since the new Telecommunications Education Access Fund assessment will not

begin until July 2001. The Board recommends that the Circuit Rider training be extended for an additional year at a cost not to exceed \$219,000. In addition to the services currently provided, the Circuit Riders will assist sites with E-Rate applications and with issues related to security, including hacking, secure websites and e-mail security.

We agree with the Board's recommendation. The program has been particularly beneficial to smaller libraries and schools that do not have technical expertise on site. The Circuit Riders have been able to diagnose and correct problems that allow users to get the maximum benefit from their connections. They also are training sites to be more self-sufficient. However, with staff turnover and regular upgrades to software, there still is a role for the Circuit Riders. We approve the extension of the Circuit Riders programs, as described in the proposal recommended by the Advisory Board, for an additional year through June 2001.

B. USE OF REMAINING FUNDS

As part of Bell Atlantic's last rate case, the Commission directed Bell Atlantic to spend up to \$20 million to benefit schools and libraries. To accomplish this, the Commission required Bell Atlantic to establish an account in which it would accrue \$333,333 per month beginning June 1, 1995 through May 31, 2000. See Docket Nos. 94-123, 94-254 Order at 20 (Jan. 5, 1996). As of December 31, 1999, Bell Atlantic had spent \$8,143,337. It expects to spend an additional \$4,820,000 by June 30, 2001. Therefore, approximately \$7 million will be unspent as of that date.

In the Spring of 1998, we reopened Docket No. 94-254 and sought comments on how any excess funds should be treated. The Commission received more than over 150 comments, mostly from schools and libraries, asking that any unspent funds be used to benefit schools and libraries. The Public Advocate and AARP asked that any funds be used to reduce basic rates. In response, we decided to authorize additional spending to fund the Circuit Riders and additional bandwidth (T1s) to sites with a demonstrated need. We made no decision about the use of the remaining funds at that time. Docket No. 94-254, Order (Aug. 4, 1998).

Since our 1998 decision, new legislation has been enacted that will require contributions from all telecommunications carriers to fund a Telecommunications Education Access Fund. Assessments for this new program will begin in July 2001. The Board recommends that the Commission decide now that any funds remaining unspent in the escrow account as of June 30, 2001 be used to benefit schools and libraries under the directives contained in 35-A M.R.S.A. § 7104-B, unless the Legislature should direct that the funds be otherwise spent. Bell Atlantic has stated no objection to this use of the escrowed funds. The Board further recommends that Bell Atlantic be directed to accrue carrying costs on any funds remaining unspent after May 31, 2000. The Public Advocate continues to argue that any unspent funds should be returned to Bell Atlantic ratepayers in the form of rate reductions.

Our original order establishing the fund required Bell Atlantic to file a proposal for providing support to schools and libraries. We stated that if Bell Atlantic's proposal uses only a portion of the funds set aside to support services for schools and libraries, then the remaining portion would be used for toll reductions. Docket No. 99-254. Order (May 15, 1995) at 59. We view the Board's recommendation that the remaining \$7 million be used to support services for schools and libraries as part of the new program to be established, pursuant to the Telecommunications Education Access Fund, to be an extension of Bell Atlantic's original proposal. We agree that any funds not spent as of June 30, 2001 should continue to be used to benefit schools and libraries, unless the Legislature directs otherwise. This will allow the Advisory Board and the Commission to plan for the next phase of this project with the knowledge that this funding will be available to benefit schools and libraries. We need not decide now how the funds will be spent or whether they should be placed in Telecommunication Education Access Fund. We further direct Bell Atlantic to begin accruing carrying charges on funds remaining in the escrow account after May 31, 2000.

Dated at Augusta, Maine, this 10th day of April, 2000.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320 (1)-(4) and the Maine Rules of Civil Procedure, Rule 73 et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320 (5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.